

Eye on Southeast Europe



The Automotive Sector in Bulgaria and Romania

Little to no automotive production takes place in Romania and Bulgaria. Auto parts and service suppliers from the United States have therefore made few marketing efforts in these countries, although their prospects may be improving. Typically, automotive parts and service suppliers tend to follow vehicle manufacturers into markets. If manufacturers begin producing vehicles somewhere, this creates opportunities for parts and service suppliers to provide original equipment (used in vehicle production), replacement equipment (aftermarket parts for repair or replacement of worn parts), and specialty equipment (aftermarket parts to modify produced vehicles).

Bulgaria

New vehicle registrations in Bulgaria rose 3.8 percent in 2001 over the previous year. U.S. exports to Bulgaria are showing slight signs of growth. Bulgaria imported \$1.7 million worth of U.S. automotive parts in 2002.

In 2001, the average age of the 2.2 million passenger cars in Bulgaria was approximately 19 years. Therefore, automotive repair/service is one of the fastest-growing business sectors in Bulgaria. The total market for automotive repair, tools, and service equipment for 2001 was estimated at \$19.9 million. Imports almost completely supplied this market, in which the United States only had a 3-percent share. Due to the growth in the number of European cars and demanding customers, the number of body repair and paint shops is also expected to increase.

Romania

Romania's economic recovery in 2001 had a positive impact on its domestic automotive industry, which sold 9 percent more passenger cars than in the previous year (or 72,100 total). However, production of passenger cars and commercial vehicles declined slightly. U.S. exports to Romania are increasing. Romania imported a total of \$25.7 million worth of automotive parts in 2002. Romania exported \$4.6 million worth of automotive parts to the United States in 2002. Early indicators suggest that Romania may export substantially more automotive parts in 2003.

The Romanian car-parts industry has experienced rapid expansion over the last two years as several large foreign parts producers established production plants in the country. The automotive industry in Romania currently has two large foreign vehicle makers: Daewoo and Renault. Numerous parts-production plants have opened in recent years to support this foreign car production. However, Daewoo is heavily in debt, and Romanian officials are trying to interest foreign automotive companies in acquiring Daewoo Automobile Romania SA. Several European automotive companies have invested in Romania in recent years.

For more information, contact Jennifer Gothard, Washington, D.C. (jennifer_gothard@ita.doc.gov), Robert Balazs, Cluj, Romania (Robert@USEmbassy.dntcj.ro), Monica Eremia, Bucharest, Romania (monica.eremia@mail.doc.gov), or Georgi Peev, Sofia, Bulgaria (gpeev@mail.doc.gov).

